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FM SECSTATE WASHDC
TO AMEMBASSY SEOUL IMMEDIATE

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [illegible] DATE 5/21/82
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
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E.O. 12065 N/A

TAGS: EFIN, KS

SUBJECT: PRELIMINARY COMMITMENT NO. 78-0-4266
KOREA NUCLEAR UNITS 7 AND 8

REFERENCE: SEOUL 10707 314-1057

1. EXIM HAS TOLD KECO THAT IF A U.S. SUPPLIER WINS THE TURBINE GENERATOR CONTRACT, EXIM WILL FURTHER REDUCE THE LOCAL COST GUARANTEE FEE FROM 0.60 PERCENT TO 0.50 PERCENT.

2. EMBASSY SHOULD EMPHASIZE TO KECO THAT THE 0.50 PERCENT RATE IS THE LOWEST AVAILABLE UNDER EXIM GUARANTEE FEE SCALE. PRIOR TO THIS ONLY GUARANTEES TO THE HIGHLY DEVELOPED COUNTRIES SUCH AS THE UNITED KINGDOM AND FRANCE QUALIFIED FOR THE 0.50 PERCENT RATE.

3. IN TERMS OF COST TO KECO, A 0.10 PERCENT REDUCTION

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ON APPROXIMATELY DOLLARS 200 MILLION (LOCAL COST FUNDING)

SHOULD BE ABOUT EQUIVALENT TO A 0.20 PERCENT REDUCTION IN THE INTEREST RATE ON APPROXIMATELY DOLLARS 100 MILLION (TURBINE GENERATOR COST). THIS SHOULD BE BROUGHT TO KECO'S ATTENTION. VANCE

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